

DATE IN <u>2.24.12</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>2.24.12</u>	TYPE <u>NSL</u>	APP NO. <u>12055-44177</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



COG operating

Folk Federal #40

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

6570

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

L-17-178-29E

Fed/Eddy

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

INTEREST ARE THE SAME

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

RECEIVED
2012 FEB 24 AM 11:24

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kelly J. Holly
 Print or Type Name

Signature

Permitting Tech
 Title

2-23-12
 Date

(432) 685-4384
 Phone Number

kholly@concho.com
 E-mail Address

Folk Federal #40
Eddy County, NM

COG proposes to drill a NW/4 SW/4, 40 acre spacing
Empire; Glorieta-Yeso, East Oil Well
TD of approximately 5000'

Non-Standard Location:
1750' FSL & 280' FWL Sec 17, T17S, R29E, Unit L

This well had to be drilled at a non-standard location due
Geographic reasons.

This well is to be completed in the Empire; Glorieta-Yeso, East (96610) formation. We won't know the exact perms until we drill & log it, but it will be very similar to the Folk Federal #4 which was completed in October 2007 and is located 2310' FNL & 2110' FWL, Unit F in Sec 17, T17S, R29E.

Folk Federal #4 has Yeso open perms from: 4300' – 5160' overall, but broken up into 3 separate intervals, with 3 separate fracs:

1st interval: 4960' – 5160'
acidized w/ 5000 gals,
frac w/ 69,248 gals gel, & 61,172# 16/30 sand, & 5676# LiteProp

2nd interval: 4510' – 4710'
acidized w/ 5000 gals,
frac w/ 68,981 gals gel, & 61,488# 16/30 sand, & 5766# LiteProp

3rd interval: 4300' – 4440'
acidized w/ 5000 gals,
frac w/ 68,906 16/30 sand, & 4330# LiteProp

Attachment 1
Plat & Map

Attachment 2
Map & legend of offset wells.

Attachment 3
Updated land plat showing COG Operating LLC acreage.
The acreage we are encroaching is the NE/4 SE/4 of Section 18.

Offset acreage is owned by Mewbourne Oil Co.
Proof of Notification is enclosed.

COG Operating LLC respectfully requests permission to have this NSL approved.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 96610	Pool Name <i>unles</i> Empire; Glorieta-Yeso
Property Code 302495	Property Name FOLK FEDERAL	Well Number 40
OGRID No. 229137	Operator Name COG OPERATING, LLC	Elevation 3654'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	17-S	29-E		1750	SOUTH	280	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>40x40=176,400 78,400 29,400</p> <p>280' S.L. SEE DETAIL</p> <p>1750'</p> <p>DETAIL</p> <p>3645.6' 3656.7' 3637.2' 3641.4'</p> <p>600' 600'</p> <p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=666469.3 N X=570387.1 E LAT.=32.832001° N LONG.=104.104181° W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> 2-15-12 Signature Date</p> <p>Kelly J. Holly Printed Name</p> <p>kholly@concho.com E-mail Address</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 20, 2011 Date of Survey</p> <p> Signature of Professional Surveyor</p> <p> Seal of Professional Surveyor</p> <p>Certificate Number 3239 Gary J. Eidson 12641 Professional Surveyor J. Eidson 3239</p> <p>AF JWSC W.O.: 11.11.1361</p>

Survey Date: 09/20/11		Sheet 1 of 1 Sheets	
W.O. Number: 10.11.1361		Dr. By: AF	Rev 1:
Date: 10/20/11	Rel. W.O.:	10111361	Scale: 1"=100'

Producing Wells in Sec 17, T17S, R29E, Eddy County

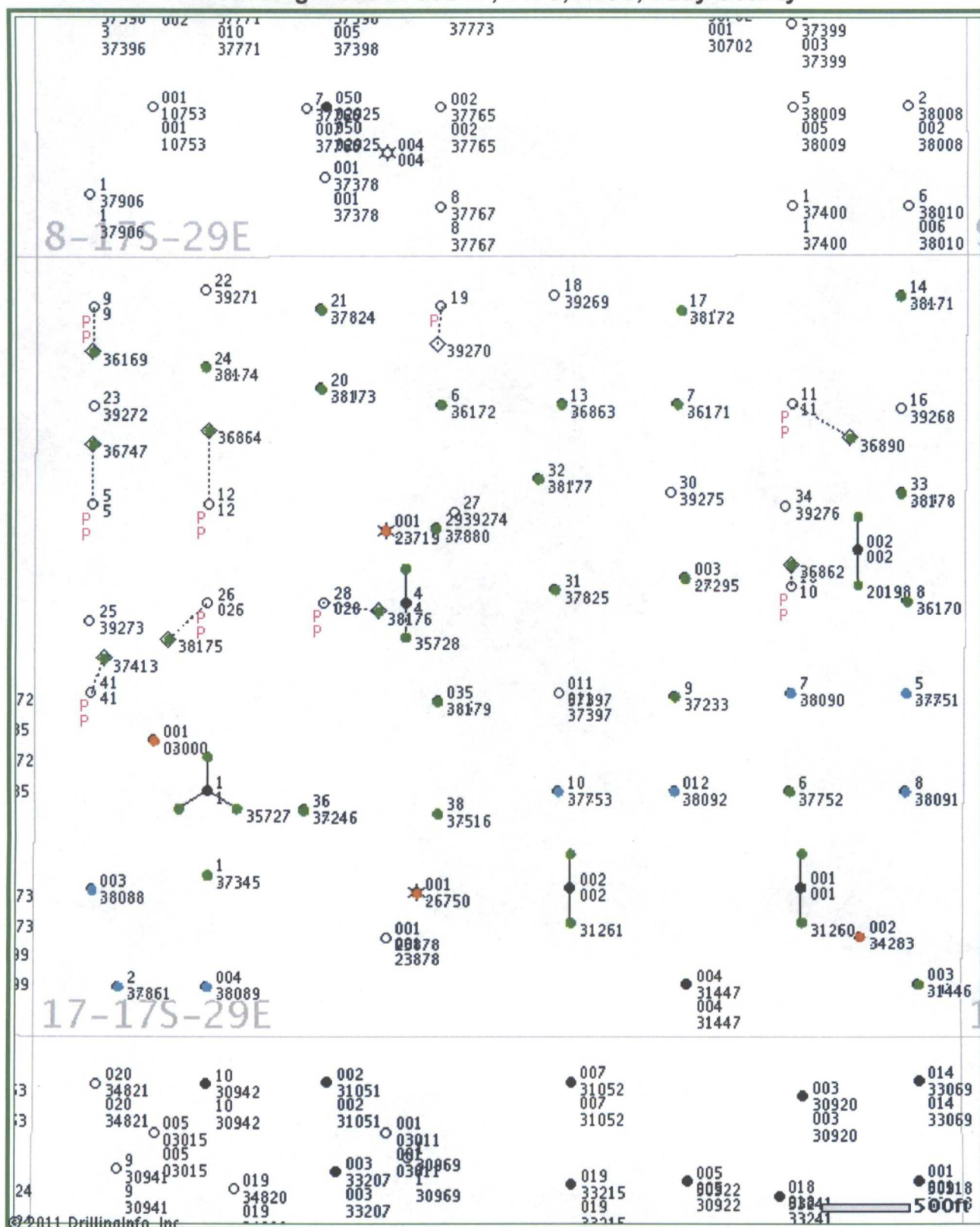
API#	Operator	Lease	Well#	County	Legal	Total Depth	Well Type	Well Status	First Prod.	Last Prod.	Avg. (BO/D)
30-015-37246	COG OPERATING LLC	FOLK FEDERAL	36	EDDY	S:17, T:17S, R:29E	5,450	PO	Active Permit	Aug 2011	Aug 2011	0.29
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	4,805	O	Temporarily Abandoned	Nov 2000	Sep 2011	0.53
30-015-35728	COG OPERATING LLC	FOLK FEDERAL	4	EDDY	S:17, T:17S, R:29E	5,600	O	Active Permit	Oct 2007	Aug 2010	0.71
30-015-27295	COG OPERATING LLC	FOLK FEDERAL	003	EDDY	S:17, T:17S, R:29E	5,050	PO	Active	Mar 1993	Aug 2011	0.77
30-015-35728	COG OPERATING LLC	FOLK FEDERAL	4	EDDY	S:17, T:17S, R:29E	5,600	O	Active Permit	Dec 2010	Aug 2011	0.77
30-015-03000		FOLK FEDERAL	001	EDDY	S:17, T:17S, R:29E		O	Active	Jun 1959	Jul 1961	0.81
30-015-34283	CIMAREX ENERGY CO. OF COLORADO	MUSKEGON 17 FEDERAL COM	002	EDDY	S:17, T:17S, R:29E	11,500	PG	Active Permit	May 2006	Sep 2007	0.83
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	4,506	O	Temporarily Abandoned	Sep 2000	Sep 2011	1.03
30-015-36862	COG OPERATING LLC	FOLK FEDERAL	10	EDDY	S:17, T:17S, R:29E	5,550	O	Active Permit	Aug 2009	Jun 2011	1.57
30-015-20198	COG OPERATING LLC	FOLK FEDERAL	002	EDDY	S:17, T:17S, R:29E	0	O	Active	Mar 1969	Aug 2011	1.58
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Oct 2010	Aug 2011	1.58
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Oct 2010	Dec 2010	2.26
30-015-31261	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	002	EDDY	S:17, T:17S, R:29E	4,506	O	Temporarily Abandoned	Dec 2000	Sep 2011	2.63
30-015-36171	COG OPERATING LLC	FOLK FEDERAL	7	EDDY	S:17, T:17S, R:29E	5,465	O	Active Permit	Jul 2009	Aug 2011	2.77
30-015-31260	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	001	EDDY	S:17, T:17S, R:29E	4,805	O	Temporarily Abandoned	Sep 2000	Sep 2011	3.17

30-015-20198	MACK ENERGY CORP	FOLK FEDERAL	002	EDDY	T:17S, R:29E	0	O	Active	Jan 1972	Dec 1977	3.26
30-015-31446	CLAYTON WILLIAMS ENERGY INC	PHILLIPS 17 FEDERAL	003	EDDY	S:17, T:17S, R:29E	4,427	O	Pumping	Jan 2001	Sep 2011	3.70
30-015-36890	COG OPERATING LLC	FOLK FEDERAL	11	EDDY	S:17, T:17S, R:29E	5,412	O	Active Permit	Dec 2009	Aug 2011	3.74
30-015-35727	COG OPERATING LLC	FOLK FEDERAL	1	EDDY	S:17, T:17S, R:29E	5,123	O	Active Permit	Nov 2007	Jun 2010	6.93
30-015-36863	COG OPERATING LLC	FOLK FEDERAL	13	EDDY	S:17, T:17S, R:29E	5,531	O	Active Permit	Apr 2010	Aug 2011	7.00
30-015-36169	COG OPERATING LLC	FOLK FEDERAL	9	EDDY	S:17, T:17S, R:29E	5,408	O	Active Permit	Nov 2009	Aug 2011	7.65
30-015-36170	COG OPERATING LLC	FOLK FEDERAL	8	EDDY	S:17, T:17S, R:29E	5,462	O	Active Permit	Apr 2009	Aug 2011	8.42
30-015-36747	COG OPERATING LLC	FOLK FEDERAL	5	EDDY	S:17, T:17S, R:29E	5,555	O	Active Permit	Aug 2010	Aug 2011	12.06
30-015-38171	COG OPERATING LLC	FOLK FEDERAL	14	EDDY	S:17, T:17S, R:29E	5,478	O	Active Permit	Jan 2011	Aug 2011	13.03
30-015-36172	COG OPERATING LLC	FOLK FEDERAL	6	EDDY	S:17, T:17S, R:29E	5,463	O	Active Permit	Mar 2009	Aug 2011	13.39
30-015-38088	COG OPERATING LLC	FOLK STATE	3	EDDY	S:17, T:17S, R:29E	5,115	O	Active Permit	Aug 2011	Aug 2011	13.77
30-015-38175	COG OPERATING LLC	FOLK FEDERAL	26	EDDY	S:17, T:17S, R:29E	5,595	O	Active Permit	Mar 2011	Aug 2011	14.58
30-015-37880	COG OPERATING LLC	FOLK FEDERAL	29	EDDY	S:17, T:17S, R:29E	5,477	O	Active Permit	Nov 2010	Aug 2011	14.65
30-015-38178	COG OPERATING LLC	FOLK FEDERAL	33	EDDY	S:17, T:17S, R:29E	5,528	O	Active Permit	May 2011	Aug 2011	15.90
30-015-37752	COG OPERATING LLC	FOLK STATE	6	EDDY	S:17, T:17S, R:29E	5,055	O	Active Permit	Aug 2010	Aug 2011	16.10
30-015-37345	COG OPERATING LLC	FOLK STATE	1	EDDY	S:17, T:17S, R:29E	5,515	O	Active Permit	May 2010	Aug 2011	17.71
30-015-37824	COG OPERATING LLC	FOLK FEDERAL	21	EDDY	S:17, T:17S, R:29E	5,467	O	Active Permit	Jan 2011	Aug 2011	21.52
					S:17,						

30-015-37347	COG OPERATING LLC	FIRECRAKER STATE	3	EDDY	T:17S, R:29E	5,320	O	Active Permit	May 2010	Aug 2011	23.61
30-015-37825	COG OPERATING LLC	FOLK FEDERAL	31	EDDY	S:17, T:17S, R:29E	5,478	O	Active Permit	Dec 2010	Aug 2011	24.55
30-015-37861	COG OPERATING LLC	FOLK STATE	2	EDDY	S:17, T:17S, R:29E	5,470	O	Active	Mar 2011	Aug 2011	24.71
30-015-37751	COG OPERATING LLC	FOLK STATE	5	EDDY	S:17, T:17S, R:29E	5,043	O	Active Permit	Jan 2011	Aug 2011	24.97
30-015-38172	COG OPERATING LLC	FOLK FEDERAL	17	EDDY	S:17, T:17S, R:29E	5,468	O	Active Permit	Feb 2011	Aug 2011	27.39
30-015-37516	COG OPERATING LLC	FOLK FEDERAL	38	EDDY	S:17, T:17S, R:29E	5,070	O	Active Permit	Sep 2010	Aug 2011	28.81
30-015-37233	COG OPERATING LLC	FOLK STATE	9	EDDY	S:17, T:17S, R:29E	5,130	O	Active Permit	Jul 2010	Aug 2011	29.00
30-015-38177	COG OPERATING LLC	FOLK FEDERAL	32	EDDY	S:17, T:17S, R:29E	5,517	O	Active Permit	Apr 2011	Aug 2011	37.23
30-015-37753	COG OPERATING LLC	FOLK STATE	10	EDDY	S:17, T:17S, R:29E	5,167	O	Active Permit	Jan 2011	Aug 2011	39.45
30-015-38174	COG OPERATING LLC	FOLK FEDERAL	24	EDDY	S:17, T:17S, R:29E	5,406	O	Active Permit	Mar 2011	Aug 2011	39.74
30-015-38173	COG OPERATING LLC	FOLK FEDERAL	20	EDDY	S:17, T:17S, R:29E	5,528	O	Active Permit	Apr 2011	Aug 2011	40.48
30-015-37413	COG OPERATING LLC	FOLK FEDERAL	41	EDDY	S:17, T:17S, R:29E	5,476	O	Active Permit	Jan 2011	Aug 2011	43.65
30-015-36864	COG OPERATING LLC	FOLK FEDERAL	12	EDDY	S:17, T:17S, R:29E	5,421	O	Active Permit	Sep 2009	Aug 2011	45.16
30-015-38091	COG OPERATING LLC	FOLK STATE	8	EDDY	S:17, T:17S, R:29E	5,128	O	Active Permit	Apr 2011	Aug 2011	52.32
30-015-38090	COG OPERATING LLC	FOLK STATE	7	EDDY	S:17, T:17S, R:29E	5,463	O	Active Permit	Jan 2011	Aug 2011	61.00
30-015-38176	COG OPERATING LLC	FOLK FEDERAL	28	EDDY	S:17, T:17S, R:29E	5,583	O	Active Permit	May 2011	Aug 2011	61.45
30-015-38089	COG OPERATING LLC	FOLK STATE	4	EDDY	S:17, T:17S, R:29E	5,125	O	Active Permit	Jul 2011	Aug 2011	103.55
					S:17,						

30-015-38179	COG OPERATING LLC	FOLK FEDERAL	35	EDDY	T:17S, R:29E	5,000	O	Active Permit	Jul 2011	Aug 2011	143.84
30-015-38092	COG OPERATING LLC	FOLK STATE	12	EDDY	S:17, T:17S, R:29E	5,105	O	Active Permit	Jul 2011	Aug 2011	182.90
30-015-23719	COG OPERATING LLC	FEDERAL KL-17	001	EDDY	S:17, T:17S, R:29E	10,740	G	Pumping	Aug 1982	Aug 2011	
30-015-26750	CONOCOPHILLIPS COMPANY	MUSKEGON "17" STATE COM.	001	EDDY	S:17, T:17S, R:29E	10,880	G	Pumping	May 1992	Aug 2011	

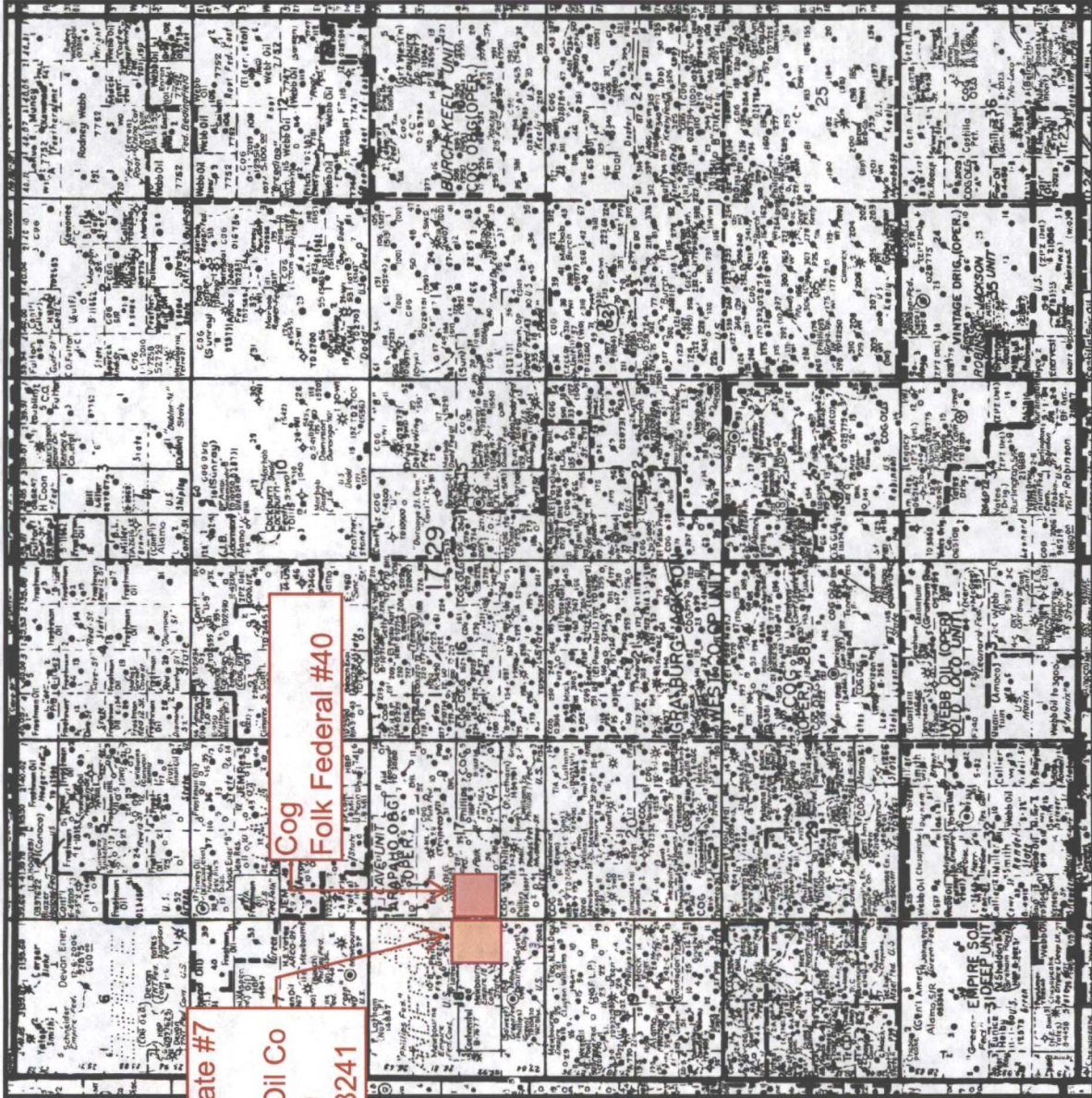
Producing Wells in Sec 17, T17S, R29E, Eddy County



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Empire 18 State #7
Operator
Mewbourne Oil Co
PO Box 5270
Hobbs NM 88241

Cog
Folk Federal #40



**COG OPERATING LLC
550 W. TEXAS, SUITE 1300
MIDLAND, TX 79701**

February 15, 2012

Mewbourne Oil Company
500 W Texas Ave # 1020
Midland, TX 79701-4279

Re: Request for Unorthodox Well Location

To Whom It May Concern:

This letter will serve as notice under Rule 104.F (3) that COG Operating LLC has requested administrative approval from the Oil Conservation Division in Santa Fe, NM for an unorthodox Empire: YESO, EAST oil well.

**Folk Federal #40
Eddy County, NM**

SHL: 1750' FSL & 280' FWL Sec 17, T17S, R29E, Unit L

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may allow COG to produce from the unorthodox location after the well is drilled, if no objection has been made within the 20 days after the application has been received.


Sincerely,

COG Operating LLC


Kelly J. Holly
Permitting Tech

432-685-4384
kholly@concho.com

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature X <u>G Barnett</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <u>Newbourne Oil</u> <u>500 W Texas Ave #1000</u> <u>Midland Tx 79701</u>		B. Received by (Printed Name) <u>G Barnett</u>	C. Date of Delivery <u>2-17</u>
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811, February 2004		Domestic Return Receipt	
		102595-02-M-1540	

UNITED STATES POSTAL SERVICE		First-Class Mail Postage & Fees Paid USPS Permit No. G-10
<p>• Sender: Please print your name, address, and ZIP+4 in this box •</p> <p><u>Concho</u> <u>Attn: Kelly Holly</u> <u>550 W Texas Suite 100</u> <u>Midland Tx 79701</u></p>		